

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____X
CALANA SL,

Plaintiff,

08 Civ. 520 (CM) (AJP)

-against-

REPLY TO
COUNTERCLAIMS

MADISON ADMINISTRATIVE SERVICES, INC.
and P.M.H. INTERNATIONAL, INC. also d/b/a
HELLE COMFORT,

Defendants.
_____X

Plaintiff, Calana SL, by its undersigned attorneys, Ballon Stoll Bader & Nadler, P.C., in Reply to Defendants' Counterclaims set forth in their Answer, states and alleges as follows:

1. In Reply to the allegations contained in Paragraph 23 of the Answer, Plaintiff admits that it transacted business with the Defendants for a period of years.
2. In Reply to the allegations contained in paragraph 24A-24E of the Answer Plaintiff respectfully refers the Court to the parties' contracts for the essential terms, requirements and conditions thereof.
3. Plaintiff admits the allegations contained in paragraphs 25 and 26 of the Answer.
4. Plaintiff lacks knowledge or information sufficient to form a belief as to the truth of Defendants' allegations that Defendants undertook inspections and/or discovered defects as to Plaintiff's goods as set forth in paragraphs 27A – 27C of the Answer and leaves Defendants to their proof. Plaintiff denies so much of the allegations contained in

paragraphs 27A-27C as allege, expressly or by implication, that Plaintiff delivered shoes that were nonconforming, unfit or unmerchantable.

5. Plaintiff lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 28 of the Answer and leaves Defendants to their proof. Plaintiff denies so much of the allegations contained in paragraph 28 of the Answer as state, expressly or by implication, that goods manufactured by the Plaintiff were defective or nonconforming.

6. Plaintiff denies each and every allegation contained in paragraphs 29, 30, 31, 32, 33, 34, 35 and 36 of the Answer.

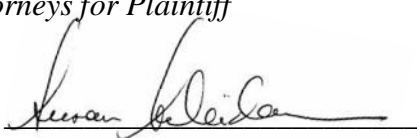
FIRST AFFIRMATIVE DEFENSE

7. The Counterclaim fails to set forth any viable claim for relief against the Plaintiff.

WHEREFORE, Plaintiff demands judgment in its favor and against the Defendants, jointly and severally, dismissing the Counterclaim and awarding judgment as demanded in the Complaint.

Dated: New York, New York
May 28, 2008

BALLON STOLL BADER & NADLER, PC
Attorneys for Plaintiff

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